



**Health Services**  
LOS ANGELES COUNTY

June 5, 2007

Los Angeles County  
Board of Supervisors

Gloria Molina  
First District

Yvonne B. Burke  
Second District

Zev Yaroslavsky  
Third District

Don Knabe  
Fourth District

Michael D. Antonovich  
Fifth District

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**AGREEMENT AMENDMENTS FOR PROPOSITION A DIETARY AND  
NON-PROP A CONCESSION CAFETERIA SERVICES**

(2<sup>nd</sup>, 4<sup>th</sup> and 5<sup>th</sup> Districts)

(3 Votes for Dietary Services) (4 votes for Public Cafeteria Services)

IT IS RECOMMENDED THAT YOUR BOARD:

Bruce A. Chernof, MD  
Director and Chief Medical Officer

John R. Cochran III  
Chief Deputy Director

Robert G. Splawn, MD  
Senior Medical Director

313 N. Figueroa Street, Suite 912  
Los Angeles, CA 90012

Tel: (213) 240-8101  
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through leadership,  
service and education.*



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1. Approve and instruct the Chairman to sign the attached Proposition A (Prop A) Amendment No. 8 to Agreement No. 70295 (Exhibit I) with Morrison Management Specialists, Inc.; dba Morrison Health Care, Inc. (Morrison) for the continued provision of dietary services at Harbor-UCLA Medical Center (Harbor), on a month-to-month basis, effective July 1, 2007 through December 31, 2007, for a total cost of \$2,195,713.
2. Approve and instruct the Chairman to sign the attached Prop A Amendment No. 8 to Agreement No. 70294 (Exhibit II) with Morrison for the continued provision of dietary services at Martin Luther King, Jr - Harbor Hospital (MLK-Harbor), to increase the amount for special function meals to \$20,000, effective date of Board approval, and extend the term of the Agreement on a month-to-month basis, effective July 1, 2007 through December 31, 2007, for a total cost of \$1,194,800.
3. Approve and instruct the Chairman to sign the attached Prop A Amendment No. 9 to Agreement No. 70694 (Exhibit III) with Morrison for the continued provision of dietary and concession cafeteria services at Olive View-UCLA Medical Center (Olive View) on a month-to-month basis, effective July 1, 2007 through December 31, 2007, for a total cost of \$1,757,130.
4. Approve and instruct the Chairman to sign the attached Prop A Amendment No. 9 to Agreement No. 68444 (Exhibit IV) with Sodexo, LLC (Sodexo) for the continued provision of dietary and concession cafeteria services at Rancho Los Amigos National Rehabilitation Center (Rancho) on a month-to-month basis, effective July 1, 2007 through December 31, 2007, for a total cost of \$1,973,066.

5. Approve and instruct the Director of Health Services to sign the attached non-Prop A Amendment No. 9 to Agreement No. H-211094 (Exhibit V) with Morrison, for the continued provision of concession cafeteria services at Harbor on a month-to-month basis effective July 1, 2007 through December 31, 2007, with estimated revenue of \$36,438.
6. Approve and instruct the Chairman to sign the attached Prop A Amendment No. 4 to Agreement No. 73378 (Exhibit VI) with Morrison for the continued provision of dietary services (clinical nutrition) and concession cafeteria services at High Desert Health System (High Desert) on a month-to-month basis, effective July 1, 2007 through June 30, 2008, for a total cost of \$131,203.
7. Delegate authority to the Director of Health Services to increase the maximum obligation at MLK-Harbor not to exceed 15% or \$179,220 for additional services as necessary.
8. Delegate authority to the Director of Health Services to increase the maximum obligation on an as-needed basis at High Desert during the term of the agreement, not to exceed 25% annually for expanded services including, e.g., additional registered clinical dietitian services, as approved by the Director, for an additional annual cost of \$32,800.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS:

Approval of the recommended actions will allow for the provision of dietary services and concession cafeteria services at Harbor, MLK-Harbor (dietary only), Olive View, and Rancho while an independent committee reevaluates the proposals received as a result of the Request for Proposals (RFP). The Agreement for dietary and concession cafeteria services at High Desert will allow for an RFP process to be completed for that facility. The current Agreements expire on June 30, 2007. The Department is requesting delegated authority to increase the maximum obligation to accommodate a potential increase in inpatient beds at MLK-Harbor. Delegated authority to increase the services at High Desert will allow for additional dietitian services for High Desert patients as needed.

Upon completion of the RFP evaluation, the Department of Health Services (DHS) recommended Morrison as the contractor for all four facilities in September 2006 based on their receiving the highest overall scores by the Evaluation Committee. The proposers who were not recommended for a contract, Integrated Support Solutions, Inc. (ISSI) and Sodexo, submitted protests pursuant to the Services Contracting Solicitation Protest Policy. ISSI's protest was heard by the County Review Panel on April 5, 2007. Subsequent to the County Review Panel's recommendation, DHS determined that, in the best interests of all parties involved, the dietary proposals submitted by the three proposers, ISSI, Morrison and Sodexo, will be reevaluated in their entirety.

DHS has been contracting for dietary services under provisions of County Code 2.121.250 et seq., "Contracting with Private Businesses" (Proposition A), since October 1984. Dietary services are an integral part of the legitimate activities which must be provided by a hospital to perform its health care functions. Contracting under Proposition A guidelines continues to be cost effective and operationally feasible for the provision of dietary services. Concession cafeteria services are contracted under the authority of Government Code Section 25536.

MLK-Harbor's concession cafeteria is currently provided under a separate Agreement administered by the Chief Administrative Office.

FISCAL IMPACT/FINANCING:

The cost for each facility is as follows: \$2,195,713 for Harbor, \$1,194,800 for MLK-Harbor; \$1,757,130 for Olive View, and \$1,973,066 for Rancho, effective July 1, 2007 through December 31, 2007, for a total amount of \$7,120,709 and \$131,203 at High Desert effective July 1, 2007 through June 30, 2008. An additional \$20,000 is needed for the current fiscal year for special function meals at MLK-Harbor.

The cost of services at High Desert is higher than last year because the revenue from concession services has decreased substantially due to a decrease in services.

The amendments include the most recent Board-approved cost of living adjustment language. Funds are included in the Fiscal Year (FY) 2006-07 Final Budget and FY 2007-08 Proposed Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Harbor and MLK-Harbor

On September 3, 1996, the Board approved Agreements with Morrison to provide dietary services at MLK-Harbor and Harbor effective September 1, 1996 through February 29, 2004. Subsequently, the Board approved additional Amendments to extend the term. Most recently, on March 20, 2007, the Board approved an extension through June 30, 2007 at Harbor and on March 27, 2007 approved an extension at MLK-Harbor through June 30, 2007.

Additional funds are being requested effective date of Board approval to provide for nurse recruitment, nurse recognition and hospital appreciation activities.

Olive View

On May 13, 1997, the Board approved an Agreement with Morrison to provide dietary and concession cafeteria services at Olive View, effective June 1, 1997 through November 30, 2002. Subsequently, the Board approved additional Amendments to extend the term. Most recently, on March 20, 2007, the Board approved an extension through June 30, 2007.

RANCHO

On July 18, 1995, the Board approved an Agreement with Sodexho to provide dietary and concession cafeteria services at Rancho, effective August 1, 1995 through July 31, 2002 with delegated authority to extend through January 31, 2003. Subsequently, the Board approved additional Amendments to extend the term. Most recently, on March 20, 2007, the Board approved an extension through June 30, 2007.

#### CONCESSION CAFETERIA SERVICES AT Harbor

On May 9, 2000, the Board approved a revenue concession Agreement with Morrison for the provision of concession cafeteria services at Harbor through February 29, 2004. Subsequently, the Board approved additional Amendments to extend the term. Most recently, on March 20, 2007, the Board approved an extension through June 30, 2007.

#### High Desert

On August 27, 1997, the Board approved an Agreement with Morrison for the provision of dietary services at High Desert through August 12, 2002. On April 2, 2000, Morrison terminated the Agreement effective August 12, 2000. On August 13, 2000, High Desert entered into a Purchase Order Agreement with Morrison until a provider could be selected through a competitive bid process.

On May 29, 2001, the Board approved an Agreement with Morrison for the continued provision of dietary services at High Desert through June 30, 2006. Subsequent amendments were approved that reduced the scope of work from hospital dietary services to the services needed for the Multi-Service Ambulatory Care Center (MACC) and extended the Agreement through June 30, 2007. Since High Desert' conversion to a MACC, the Prop A dietary part of this Agreement is for clinical nutrition services for High Desert patients. A half-time clinical nutritionist provides nutritional assessments, counseling and nutritional education services for High Desert patients and families at both the main High Desert facility and the community-based health centers.

Contract monitoring functions are performed by administrative staff at each facility. The new Board-approved cost of living adjustment language has been included.

County Counsel has approved these Amendments (Exhibits I, II, III, IV, V and VI) as to form.

#### CONTRACTING PROCESS:

On February 23, 2005, DHS released an RFP for Dietary and Concession Cafeteria Services at Harbor, MLK-Harbor (dietary services only), Olive View and Rancho. A mandatory proposers conference was held at Rancho on March 28, 2005. Five potential proposers attended the conference. Subsequently walk-throughs were held at the other facilities. The deadline date for submission of proposals for the RFP was December 19, 2005.

The proposers submitting bids in response to this RFP were ISSI for Olive View and Rancho. Morrison and Sodexo both submitted bids for all four facilities. Subsequent to the County Review Panel, the Department determined that it is in the best interest of the parties to reevaluate all proposals in their entirety.

The Department is currently developing an RFP for High Desert dietary and concession cafeteria services.

#### IMPACT ON CURRENT SERVICES (OR PROJECTS):

Board approval will allow for the provision of dietary and concession cafeteria services at Harbor, MLK-Harbor (dietary only), Olive View, Rancho and High Desert.

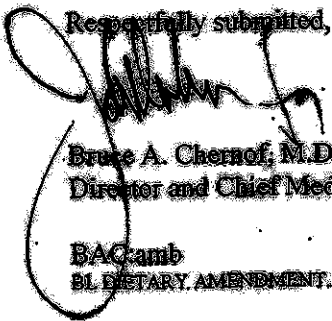
The Honorable Board of Supervisors

June 5, 2007

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When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



Bruce A. Chernof, M.D.  
Director and Chief Medical Officer

BAC:amb  
BL DIETARY AMENDMENT.AMB.wpd

Attachments (6)

c: Chief Administrative Officer  
County Counsel  
Executive Officer, Board of Supervisors

SUMMARY OF AGREEMENT1. TYPE OF SERVICES:

Dietary and Concession Cafeteria Services at Harbor, MLK-Harbor (dietary only), Olive View and Rancho and High Desert.

2. AGENCY ADDRESS AND CONTACT PERSON:

A. Morrison Management Specialists, Inc.  
dba Morrison Health Care, Inc.  
1727 Axenty Way  
Redondo Beach, CA 90278  
Attention: Edward M. Clark, Regional Vice President  
Telephone: (310) 798-4017

B. Sodexho, LLC.  
3033 5<sup>th</sup> Avenue, Suite 335  
San Diego, CA 92103  
Attention: Calvin Johnson  
Telephone: (619) 296-6433

3. TERM:

July 1, 2007 through December 31, 2007 on a month-to-month basis at Harbor, MLK-Harbor, Olive View and Rancho.

July 1, 2007 through June 30, 2008 at High Desert.

4. FINANCIAL INFORMATION::

The cost for each facility is as follows: \$2,195,713 for Harbor, \$1,194,800 for MLK-Harbor; \$1,757,130 for Olive View, and \$1,973,066 for Rancho, effective July 1, 2007 through December 31, 2007 for a total amount of \$7,120,709 and \$131,203 at High Desert effective July 1, 2007 through June 30, 2008. An additional \$20,000 is needed for the current fiscal year for special function meals at MLK-Harbor.

The cost of services at High Desert is higher than last year because the revenue from concession services has decreased substantially due to a decrease in services.

The amendments include the most recent Board-approved cost of living adjustment language. Funds are included in the Fiscal Year (FY) 2006-07 Final Budget and FY 2007-08 Proposed Budget.

5. PERSONS ACCOUNTABLE FOR PROGRAM MONITORING:

Administration at each facility.

6. GEOGRAPHIC AREA SERVED:

2<sup>nd</sup>, 4<sup>th</sup> and 5<sup>th</sup> Districts.

7. APPROVALS:

Chief Deputy: John R. Cochran, III

Contracts and Grants Division: Cara O'Neill, Chief

County Counsel (approval as to form): Sharon Reichman, Senior Deputy County Counsel